



Department of Business Regulation

233 Richmond Street
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Insurers' Obligations under Rhode Island Salvage Law

The Department hereby issues this Bulletin to highlight insurers' of their obligations under the Rhode Island Salvage Law.

R.I. Gen. Laws §31-46-1 provides:

Any insurance company taking possession of a motor vehicle for which a certificate of title has been issued in this state, that has been declared a total loss because of damage to that vehicle, in settlement of a claim for damage or theft shall within ten (10) days deliver to the division of motor vehicles the certificate of title of that vehicle and obtain a salvage certificate of title for that vehicle as prescribed for by the administrator of the division of motor vehicles.

R.I. Gen. Laws §31-46-1.1 further provides:

There shall be two (2) classifications of salvage vehicles: Classification A indicates the vehicle has extensive damage and is good for "parts only." Classification B indicates the vehicle has considerable damage but is considered repairable. It will be the responsibility of insurance companies to evaluate and classify salvage. The classification is subject to review and evaluation by the administrator of the division of motor vehicles or his or her designee.

Based upon the above requirements, it is the duty of the insurer to:

1. Apply for a salvage certificate of title in accordance with the above referenced statutes.
2. Prior to making application with the division of motor vehicles, evaluate the damage to the vehicle and properly classify the salvage as either "parts only" or "repairable" as defined in R. I. Gen. Laws §31-46-1.1.
3. Maintain copies of all documents utilized to evaluate the damage for classification purposes.
4. Produce such documentation as required by the division of motor vehicles upon applying for the salvage certificate of title.

In addition to the above requirements, insurers must also comply with R.I. Gen. Laws §27-8-14 and Insurance Regulation 73(5)(I) which states:

All casualty insurers licensed to do business in Rhode Island shall report all vehicle thefts within thirty (30) days of the theft and all salvage declarations to the National Insurance Crime Bureau (NICB), or a similar organization acceptable to the department, that maintains a central database of automobile theft and salvage.

Copies of insurance statutes are accessible at:

<http://www.rilin.state.ri.us/Statutes/Statutes.html>

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Regulation

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